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SUBJECT: Turning Highlanders into Rice Farmers

1. (U) Summary: Many efforts to improve the living standards of highland ethnic minorities center on transforming their way of life from slash-and-burn agriculture to sedentary farming, particularly production of rice and, increasingly, cash crops. This agricultural transformation complements GVN attempts to integrate minorities into the country's economic and political fabric, provide better services in remote areas, and eliminate opium production. Turning highland minorities such as the Hmong and the Dao in Lao Cai and Yen Bai provinces into irrigated rice farmers more closely resembling the majority Kinh is likely overall well-meaning as well as yet another way to cement the "national great unity bloc." End summary.

Provincial Overview

2. (U) According to Lao Cai provincial director of Ethnic Minority Affairs Lu Huy Chi, about 70 percent of this northwestern province's 600,000 residents are members of one of 17 different ethnic minorities. Provincial implementation of central government programs for minorities and remote communities has been crucial in cutting the poverty rate from around 26 percent in 2000 to the current 19 percent, Chi claimed. He and his colleagues indicated that almost the entire budget for these programs comes from the central government.

3. (U) Yen Bai Province's head of Ethnic Minority Affairs, Duong Van Vanh, separately confirmed to poloffs that minorities make up slightly over half of the province's 710,000 residents. Tay and Thai people comprise about half the minorities and tend to live in the lowlands with the majority Kinh people. Dao and Hmong account for most of the upland minorities; others include Muong, Nung, and Cao Lan. Except for the Hmong concentrated in the western portion of the province, minorities are scattered throughout the province. Per capita annual income is about three million VND (less than \$200) and half that in remote areas. Almost 15 percent of households suffer from periodic hunger, with the percentage twice as high in remote areas. About 90 percent of funds for development in the province come directly from the central government, Vanh added.

Agricultural Transformation

4. (U) The Hmong, Dao, and some other ethnic minority groups traditionally practiced slash-and-burn agriculture, according to authorities in both provinces. With significant GVN assistance, authorities claimed, members of these minority groups had begun to cease these practices and to become proficient at creating rice terraces and growing irrigated rice. Various GVN provisions -- such as the centrally-funded Program 135 for mountainous and ethnic minority areas -- provide subsidies and material support for building materials as well as some agricultural inputs such as improved seeds, fertilizer, and insecticides. Other infrastructure projects have built irrigation systems, access roads, and markets. Provincial branches of the Ministry of Agriculture and Rural Development have reportedly targeted increased agricultural extension services to help swidden farmers learn sedentary agriculture.

Community-Level Implementation in Lao Cai

5. (U) Lao Cai Province's Sapa District, now one of Vietnam's main tourist destinations, traditionally produced opium. Major efforts over the past decade have reduced this cultivation to almost nothing, according to district officials. The challenge has been to finding suitable cash crops to replace opium; new cash crops brought in only a part of the lost income from opium. Officials indicated that government subsidies and temporary employment on infrastructure project construction have contributed much of the rest of the lost income.

6. (U) Sapa District People's Committee Chairman Hoang Kim Thai and other Sapa officials explained further that

"community-based" development efforts to spread the benefits of tourism more evenly throughout the district and to improve rural incomes had given local people a fuller sense of participation in development efforts. They described local people as very concerned about income generation; in lieu of opium, they increasingly recognized tourism as a relatively easy source of income.

17. (U) Tourism promotion has also gone hand-in-hand with efforts to discourage slash-and-burn farming, which leaves the land scarred and is less and less sustainable with larger populations. Instead, authorities are touting irrigated rice cultivation on terraces, supplemented by fruit trees, soybeans, and other crops. Officials were quick to point out "new" rice terraces and fruit tree groves on mountain slopes outside Sapa. Commune-level officials claimed efforts to stop swidden practices had already made a lot of headway compared to four or five years before, when people used to "burn freely." Even so, many fires were still burning on the slopes on Sapa Valley during poloffs' February visit, and there were recent signs of slash-and-burn practices in Lao Cai's Bao Thang and Bao Yen districts as well. Some small fires burning near Sapa had also spread into reforestation zones.

Infrastructure and Services

18. (U) Irrigation systems are critical to make rice farming really worthwhile in these mountainous areas, according to officials; without irrigation, only one rice crop can be grown per year. Corn and soybeans are the favored dry season crops, but do not yield as much income or food as irrigated rice. As yet, irrigation systems cover relatively little upland area; in Yen Bai Province's Viet Cuong commune, only 170 of 714 hectares of agricultural land, for example, or a little more than 100 hectares of over 5,000 total hectares in Lao Cai Province's So Pa commune. Rugged terrain and scarce funding have limited the average size of irrigation projects to about 20 hectares in Viet Cuong and roughly half that in So Pa. Furthermore, Program 135 -- the source of much infrastructure funding in upland areas -- finances only small-scale irrigation projects.

19. (U) Officials in both provinces told poloffs that agriculture extension efforts centered primarily on irrigated rice and fruit trees. Agricultural extension workers concentrated on introducing new varieties of rice and teaching farmers how to use the fertilizers and insecticides supplied by the GVN free or below cost, they noted. Many Hmong were not experts at rice culture crops, authorities in both provinces said, but were learning quickly. Lao Cai district-level officials mentioned that marketable flower production remained under consideration, but more improvements in the road system would be needed to make this more feasible. Some reforestation and forest protection efforts are also underway, more noticeably in Yen Bai than in Lao Cai.

110. (U) Lao Cai and Yen Bai officials reviewed other benefits ethnic minority farmers may receive in addition to free or subsidized agricultural inputs. According to authorities, all of the farmers in So Pa and Viet Cuong communes have already received long-term (usually 25-30 years) land use certificates for the land they currently cultivate. All of So Pa's residents were free from land-use taxes, and only a handful of Viet Cuong's populace paid land-use taxes, according to their respective commune heads. Residents of poor and remote communes may also receive low interest credit to buy equipment under Program 135. Yen Bai Province's Vanh further claimed that all residents in the province's 70 poorest communes now receive free medical treatment. He added that the GVN even subsidized the price of salt and cooking oil so that they cost no more in rural areas than in town markets.

Resettlement

111. (U) Promoting sedentary agriculture has gone in parallel with efforts to move people from widely scattered homes into villages, again following the ethnic Kinh norm in Vietnam. Authorities stressed that such concentrations make provision of education, health care, electricity, access to markets, electricity, and other services much easier. They denied forced resettlement, instead stressing the use of the major incentive of land use certificates. However, the scarcity of level ground complicated the construction of large settlements, Yen Bai's Vanh admitted, with most level ground already in use for rice paddies.

Comment

112. (U) Critics of the GVN are quick to assume sinister

motives from many GVN programs related to ethnic minorities, especially anything that disrupts traditional practices or "infringes" upon the "sovereignty" of mountainous areas where ethnic minorities had lived with little central government oversight for hundreds of years. After meeting with these provincial and district officials, we are more inclined to credit officials with largely good faith efforts to improve local living standards for these poorest of the poor, who happen to be ethnic minorities. At the same time, these expanded roles and presence by officials are part and parcel of larger GVN and CPV efforts to ensure solid control throughout the country, thereby, they hope, diminishing the possibility of what officials claim are "plots" by "hostile forces" aimed at sabotaging "national solidarity."

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